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Governor

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PUBLIC UTILITIES COMMISSION OF NEVADA

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October 5, 1998

RECEIVED

Office of the Secretary
Federal Communications Commission
1919 "M" Street, N. W.
Washington, D. C. 20554

Re: Docket No. 96-45; DA98-1691

Dear Sir:

Enclosed please find the original plus seven copies of the Comments of the Public Utilities Commission of Nevada to be filed in the above-referenced case. Please return one file-stamped copy to me in the enclosed stamped, self-addressed envelope.

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Bing E. Young".
BING E. YOUNG
Assistant General Counsel

BEY/md

Encls.

No. of Copies rec'd 027
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

CC Docket No. 96-45
DA 98-1691

In the Matter of:

The Washington Utilities and Transportation
Commission, Asotin Telephone Company, CenturyTel of
Coville, Ellensburg Telephone Company, CenturyTel of
Washington, Hat Island Telephone Company, Hood Canal
Telephone Co., Inc., Inland Telephone Company, Kalama
Telephone Company, Lewis River Telephone Company,
Mashell Telecom, Inc., McDaniel Telephone Company,
Pend Oreille Telephone Company, Pioneer Telephone
Company, St. John Co-operative Telephone And
Telegraph Company, Tenino Telephone Company, The
Toledo Telephone Co., Inc., United Telephone Company
of the Northwest, Western Wahkiakum County Telephone
Company, Whidbey Telephone Company, and Yelm
Telephone Company

**JOINT PETITION FOR AGREEMENT WITH DESIGNATION OF
RURAL COMPANY ELIGIBLE TELECOMMUNICATIONS
CARRIER SERVICE AREAS AT THE EXCHANGE LEVEL**

COMMENTS OF THE PUBLIC UTILITIES COMMISSION OF NEVADA

In response to Public Notice DA 98-1691 issued by the Federal Communications Commission ("Commission" or "FCC") in CC Docket No. 96-45, the Public Utilities Commission of Nevada ("PUCN") files the following comments generally supporting the joint petition filed August 17, 1998, by the Washington Utilities and Transportation Commission ("WUTC") and 20 incumbent local exchange companies ("Joint Petitioners") in the above-captioned matter.

The PUCN supports the approval of the Joint Petition filed pursuant to section 214(e)(5) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (Federal Act), 47 U.S.C. §214(e)(5), and 47 C.F.R. §54.207. The Joint Petitioners petitioned the Commission for agreement with the WUTC's service area designations which differ from the "study areas" of those companies designated as eligible telecommunications carriers ("ETCs") under the Federal Act. In implementing its authority pursuant to the Federal Act, the WUTC designated the service areas as individual exchange areas which are served by the designated companies.

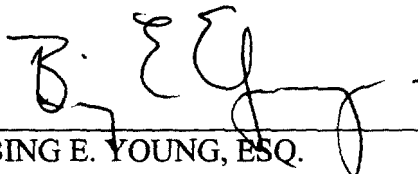
Pursuant to 47 C.F.R. §1.3, the WUTC also asks the Commission for a waiver of the existing method of "porting" available universal service funds set forth in 47 C.F.R. §54.307 and for approval of a proposed alternative methodology. According to the Joint Petition, the proposed methodology reflects the differences in costs for each exchange of the multi-exchange rural companies and also reflects the differences in costs between densely populated and sparsely populated areas within exchanges.

The PUCN concurs in the approach set forth in the Joint Petition, and supports the request that the amount of federal universal service support made portable be based on the disaggregation of the service areas into two zones per exchange or wire center core area and fringe area. This support is premised on the philosophy stated in the Joint Petition to the effect that the petitioners do not request, and the proposed methodology does not require increase in the amount of federal universal service support funds for Washington. If the Commission approves the approach as petitioned by the Joint Petitioners, it is respectfully requested that other states be permitted to follow a similar approach.

The PUCN agrees with the Joint Petitioners that consistent with the Federal Act the overall purpose of the WUTC's actions in designating ETCs, and in filing the petition in these matters, is to promote competition, both in urban areas and in areas served by rural telephone companies.

DATED this 5th day of October, 1998.

Respectfully submitted,



BING E. YOUNG, ESQ.
Assistant General Counsel
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Telephone: (702) 687-6008

CERTIFICATE OF SERVICE

I hereby certify that I am an employee of the Public Utilities Commission of Nevada and that I have served copies of the foregoing **COMMENTS OF THE PUBLIC UTILITIES COMMISSION OF NEVADA** in CC Docket 96-45. Da 98-1691 upon the following:

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DATED this 5th day of October, 1998.



MARY K. DREESON